From:

Brett Stalbaum Microsoft ATR

To:
Date:

11/17/01 2:33am

Subject:

Weak deal

Please understand that the European Commission is going forward with their investigation of Microsoft. What will your settlement look like if the EC's findings and remedy is significantly harsher? But putting behind narrow political concerns, I move on to my real concern.

You are certainly aware that Microsoft controls a major cost area for almost all corporations, since they provide the desktop OS for these companies. You should be aware that the browser wars are over, Microsoft won via their unfair competitive advantage. This is old history.

What Microsoft wants now is the server market, and they are moving on it primarilly by leveraging their control over the desktop - via both corporate pricing and closed integration with the desktop - to unfarily influence the choice of server decisions by major US corporations. IBM, Sun, HP, and others all hang in the balance.

If we should lose the vibrant and open innovation that spins out of this particular competitve market, the systems depended upon by Global business will be less secure (MS is the OS of choice for hackers because it is so easy to defeat), more expensive, and less innovative. Think also of the defense implications in this time of global uncertainty.

You need strong provisions in the settlement to prevent Microsoft from unfairly closing this market through monopoly (anti-market) power.

Thanks, Brett Stalbaum Adjunct professor of CIT Evergreen Valley College San Jose CA